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24 October 1988

MEMORANDUM FOR: Deputy Director for Requirements & Evaluation, ICS

FROM: Leo Hazlewood
Comptroller

SUBJECT: Tradeoffs in the FY 1990/91 CIAP

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1. The administration's decision to require federal departments and agencies to absorb future pay raises translates into a [redacted] unfunded requirement for the CIA program in FY 1990 and a [redacted] unfunded in FY 1991. As mentioned at your Steering Group meeting on 18 October, this poses a situation in which activities competing for funds from the DCI Management Reserve--which by definition are of a lower priority than activities already within guidance--could end up being funded at the same time higher priority activities are reduced to absorb increased pay costs. [redacted] 25X1

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2. The dilemma that we face is serious because the FY 1990/91 Program follows three years of stringency. In order to fund many of the new initiatives for FY 1990, we were forced to cut into the base and ongoing initiatives for the third year in a row. While we have not yet addressed how we will absorb [redacted] for pay raises--which equals all of our new initiatives at [redacted] guidance--it is clear that a wide range of important activities will be affected. Important investment programs (new and ongoing initiatives) that we might have to reduce or eliminate include:

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25X1 3. This partial list of our ongoing and projected new investments
25X1 highlights the important programs that we had planned to fund within [redacted]
guidance. We also carried within guidance a number of additional joint
initiatives with other agencies [redacted]
Regardless of how critical these programs are, some of them will be reduced or
eliminated to accommodate the mandated pay raises. [redacted]

4. Please let me know if you need anything further on this subject. [redacted]

[redacted]
Leo Hazlewood